

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

--	--	--	--	--	--	--	--	--	--

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

T2, 2017/ 2018

BMM7034 – MARKETING MANAGEMENT

(MBA Full Time)

9 FEBRUARY 2018

9.00 a.m – 12.00 p.m

(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consist of **EIGHT (8)** pages (including the cover page).
2. Answer **THREE (3)** questions in **PART A** and **ALL** questions in **PART B**. The marks distributions are given in parentheses.
3. Write all your answers in the **Answer Booklet** provided.

PART A: Answer any THREE out of four questions. (Total 60 marks)

QUESTION 1

- a) American Marketing Association has defined marketing as “creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society”. Discuss how far marketing is different from selling.

(10 marks)

- b) “One cannot think well, love well, sleep well if one has not dined well”- *Virginia Woolf*, reflects the importance of food in human life. In your opinion, how does food operators such as Nasi Kandar D'Banana Cyberjaya strategize to serve their customers as compared to Starbucks?

(10 marks)

QUESTION 2

- a) Research done by University of Wollongong Australia revealed that Gen Y is more likely to engage in online ticket booking for their travel than the older generations. Explain the underlying factors influencing Gen Y's buying behavior.

(10 marks)

- b) Discuss **FOUR (4)** pricing benefits when buying in an online marketplace.

(10 marks)

QUESTION 3

- a) Based on your observations, list **SIX (6)** critical success factors of a bakery business towards enticing customers.

(6 marks)

- b) Suppose you have been appointed as a consultant for Gardenia and tasked to compare Gardenia's position against its nearest competitors, High 5 and Massimo. Establish a competitor profile matrix (CPM) and suggest area of improvements for Gardenia.

(8 marks)

- c) Malaysian hockey goal keeper, S.Kumar was tested positive for banned substance, sibutramine in December 2017. Discuss **THREE (3)** risks Malaysian national hockey sponsors such as Kappa and Grays have taken, having S. Kumar as its brand ambassador.

(6 Marks)

Continued...

QUESTION 4

- a) Technip FMC tagline “Commitment to safety and quality” reflects a lot about the company’s product image. What is product image? Briefly explain the elements that may help to create a good product image of Technip FMC.
(6 marks)
- b) Technip FMC competes in a business to business (B2B) marketplace. Briefly state **FOUR (4)** elements that underlines B2B nature.
(6 Marks)
- c) Members of marketing channel perform many functions. Discuss **FOUR (4)** functions undertaken by marketing channels.
(8 marks)

PART B: Case study (Total 40 marks)**QUESTION 5**

Read the case. Answer **ALL** the questions.

AirAsia: On Top of the World
(*The Star online, 17 December 2017*)

IT’S been a good, good year for AirAsia Group chief executive officer Tan Sri Tony Fernandes. So much so that he only needs one word to describe 2017: “Amazing” and who could blame him? The budget airline’s recent 16th anniversary was made even sweeter when it snagged the World’s Leading Low-Cost Airline award for the fifth year in a row at the World Travel Awards grand final held in Vietnam. And there were the nine times Skytrax named them the World Best Low-Cost airline. Sunday Star caught up with the corporate captain of AirAsia “Now Everybody Can Fly” at RedQ headquarters in Sepang to reflect on the eventful year and learnt, among others, why his one word for 2018 is “digital”.

Continued...

Sporting a chambray blue tee, khaki-coloured pants and tan leather shoes, the 53-year-old has an affable air, cracking jokes with the videographers as they readied him for the interview. A cream-strapped Apple watch, a silver cord bracelet and a wedding ring are his only accessories. Asked about his Korean wife whom he married in October 2017, Tony breaks out into a hearty laugh about his life as a married man now. "Well, let me ask my staff. I'm driving them crazy because I'm much more focused now. "Focus is my key word in life now. It's been great. I enjoy it, I enjoy going back home, I enjoy doing things with someone else." Did he go down on one knee to propose? "No, because I'm too old. And my knees are giving me problems. This one, particularly, my meniscus was torn at the time," says Tony, smacking his right knee. What he did share, was that he popped the question at the Parisian restaurant where they first met. "It was closed, it was very cold. And I did something I never thought I would do. Of course, I did it with a bit of style, which I was laughed at (for) by other people," he jokes. Pressed for more details, Tony remains coy and said the information will only emerge in a "Life of Me"-style biopic after his passing. "The fact that I proposed at the place I met her, and went through the whole rigmarole to make sure she understands – she didn't realize it was kind of not me. So it was kind of cool."

As for AirAsia's momentous year and how the airline had done things differently compared to its rivals, Tony says AirAsia puts people first. "I think we try hard to make the experience as real as possible; in terms of our cabin crew, in terms of the food; it's not prepared by some French chef in the middle of nowhere, it's local food, it's people food, it's functional. "Our crew is as real as they come, our seats are made to be as comfortable as they can with the limitations that we have," he says. Another big plus is that many of the destinations they fly to "were never ever touched" by other parties.

Apart from being a people-based and "functional, simple" airline, AirAsia is also trying to be more technologically savvy. "We started the first dotcom website in Asia, AirAsia.com, where you could actually buy seats. I think Malaysia Airlines followed seven to eight years after us, and so did Singapore Airlines."

Continued...

As for 2018, Tony says it's going to be all about customer service with a lot of investment in the sales force. "I want to make our customers really happy. I think we can be much better than we are. I think we have to be asking ourselves, what our failings are. I want to be able to respond to our customers quickly, our guests quickly, (so they can) get a refund, or (ask) a question," he adds. Is that factor missing right now? Not to Tony, who merely thinks it could be much better. "We do respond, but I think we're slow sometimes in our responses, we're bureaucratic in our responses. I want to be slick. "I don't benchmark myself against other airlines – I benchmark with who's the best in the world. Amazon is one of the best in the world in terms of e-commerce, so we've got to try and be as good as them. They're very good at replying to customers quickly, live; there's technology there. So that's the big drive for me," he says. Likening AirAsia to a "shop in the sky", Tony says he wants to make the airline the AliBaba and Amazon of travel. "Lots of things coming up over the next year to do that. 2018 in one word? Digital," he adds. To make it easier for people to fly with AirAsia, Tony hopes to use data and technology to improve their reliability and on-time performance, learn more about their customers and provide a better, personalised flying experience. "Every airline is going to have delays, it's how you manage delays. So, all those things are my goal in 2018," says Tony, adding that his people – and the challenge of showing that Malaysia can be the best – keep him going.

Other challenges ahead include Malaysian Aviation Commission's (Mavcom) move to impose a hike in passenger service charge (PSC) for those taking international flights to non-Asean destinations from KLIA2. From next month, they will have to pay the same PSC of RM73 as other airports, up from RM50. "Look, people protest about the toll. People worry about sugar going up 10 sen a kilo. This will impact people. Travel is not (only) for the rich anymore, travel is for the masses," says Tony. So Mavcom and Malaysia Airports (MAHB) have to realise there are two types of travellers. There are low-cost travellers where every penny makes a difference and there are full service travellers." He gave the example of how a "first class or business class" traveller on a

Continued...

full-service airline is “not going to even know where the airport tax is”, whereas someone paying RM150 to go to Bangkok is going to feel it when they have to pay RM75 in airport tax.

Tony has gone on record before to remind Mavcom that it “must serve the people” but he feels there has not been enough voices from the industry. “If you’re serving the people, you’re making sure the facilities will commensurate to the charges.” “If I’m flying out of KLIA2, and I’m paying the same as KLIA1, I don’t think that’s fair. My passengers have to walk miles to get to their gate. At KLIA1, they get a train. That’s the number one difference,” he says, citing also a disparity in departure lounge sizes and more. But he still thinks the outlook for budget airlines next year is fantastic, with both the Philippines and Thailand building low-cost flight facilities, leading him to remain bullish about the future of aviation. Tony also credited the Prime Minister for being understanding, as he was the one who reduced the airport tax in the first place.

“MAHB wanted to charge us at LCCT the same as KLIA1. We went to see Datuk Seri Najib Tun Razak. He said yeah, it makes no sense, I understand it’s a volume game. And he reduced the airport tax, and we grew it 30% a year. How can anyone say KLIA2 has the same facilities as KLIA1?” he asks. Tony is optimistic that common sense will prevail. “In the long run, AirAsia has won the Best Low-Cost Airline (awards). Not many Malaysian companies have won 14 world awards. So we must be doing something right, you know? “So we should be listened to. We need simple facilities, low-cost facilities. We can make this the Dubai of Asia,” he says.

From a global perspective, Tony does not think that the era of US president Donald Trump will change travel patterns, nor will there be a decline of passengers from this region flying to the United States. “Because America is America. Everyone wants to go to America, whether to see the Statue of Liberty, whether to see Disneyland. Donald Trump is not going to change that.” However, he feels that more people are taking short trips and trying out regional travel because of AirAsia and other low-cost airlines.

Continued...

“What’s changing is that we’re giving people an alternative to travel by travelling short haul. “People who want to travel are going to travel, and they’re not worried about Donald Trump,” he says.

Tony’s other wishes for the year is to shed some weight, see his football team Queens Park Rangers get promoted, and for AirAsia to have a record year. Having lost 9kg since he placed fitness as a priority six months ago, the chocolate fan admits that food is his biggest weakness, especially since he lives in a “fantastic country with amazing food”. So how did he get trimmer? “I cut food. Whatever you do ... I can run 50,000 marathons, but the key thing is food. People don’t realise that. And when I leave AirAsia, I’m going to get into this health thing ... just to educate people. Most people don’t realise that the food they’re putting into them is killing them,” says Tony, who shares updates of his workouts on Instagram. He fervently believes that food is to be enjoyed and that weight is not the main measure of a person’s wellness. “I took my fat – from 43% of my body – to 24%, and my muscle mass has gone up. So, don’t get too worried about weight. Look at your fat content versus your muscle content and your water content,” he says, adding that drinking more water is the way to go. Ever a believer in the power of dreams, Tony draws the interview to a close by sharing his passion for health and education: “I’d love to democratise that.” “I made flying affordable. I’d love to make education affordable,” he says, smiling.

1. “Now Everybody can fly” depicts a lot about affordability. In your opinion, what is the pricing strategy employed by Air Asia? Discuss **THREE (3)** advantages of Air Asia’s pricing strategy.

(8 marks)

2. Tony Fernandes’s one word for year 2018 is “digital”. Discuss **FIVE (5)** ways how Air Asia can communicate its brand message in a digital world.

(10 marks)

Continued...

3. Statement “Air Asia puts people first” reflects the airline’s commitment towards customer satisfaction. Briefly discuss **THREE (3)** initiatives that may enhance Air Asia’s customer satisfaction.
(6 marks)
4. Synthesize and explain the challenges (weaknesses and threat) Air Asia confronts in its pursuit towards business excellence.
(8 marks)
5. Tony Fernandes presence to the interview session is akin to Public Relation (PR) initiative. List **FOUR (4)** benefits of PR as promotional tool.
(4 marks)
6. Air Asia’s ‘ticketless’ concept reflects commitment towards green and sustainability. State **FOUR (4)** ways Air Asia can embark on implementing green management.
(4 marks)

End of Paper